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Statement of Performance Expectations

1 July 2026 – 30 June 2027



EECA ENERGY EFFICIENCY & CONSERVATION AUTHORITY
TE TARI TIAKI PŪNGAO



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Foreword

New Zealand's energy system is changing. Demand is increasing and peaking more at certain times of day. At the same time, more supply is coming from renewable sources that vary with weather conditions. Recent events have also highlighted how global factors and supply constraints can affect energy costs and availability.

In this context, ensuring energy remains affordable, secure and available when needed is critical for New Zealand households, businesses and the wider economy.

There is a clear opportunity on the demand side to help address these challenges. Improving how energy is used across the economy will reduce pressure on the system, help manage costs, make better use of existing infrastructure and improve productivity.

Energy efficiency is an immediate and practical opportunity. Simple changes can reduce the use of all types of energy without disrupting daily life or business operations. Efficiency measures directly lower energy bills, reduce overall demand and help extend the capacity of the system we already have.

Equally, managing how and when energy is used is becoming increasingly important. Smarter technologies and distributed energy resources can give consumers greater control over their energy use and costs while helping to smooth peak demand. This improves system reliability and reduces the need for costly new infrastructure.

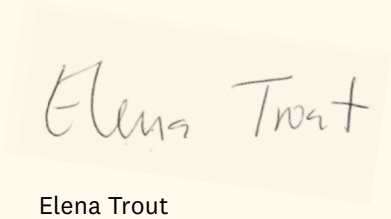
Renewable energy also has an important role to play in building a more secure and resilient system. Making better use of local energy resources can reduce exposure to global price volatility and supply disruptions, while supporting a more sustainable economy.

While the opportunities are clear, they are not always simple to realise. Households and businesses need the right information, support and system settings to make informed energy choices.

In 2026/27, EECA is squarely focused on delivering practical and effective programmes that target the barriers to energy efficiency, demand flexibility and renewable energy uptake across New Zealand.

We remain committed to delivering value for public money and improving outcomes for New Zealanders, while ensuring our organisation is appropriately sized to meet our priorities.

We look forward to working with partners across the energy system in 2026/27 to support an abundant, affordable and resilient energy future for New Zealand that underpins a competitive, high-growth economy.



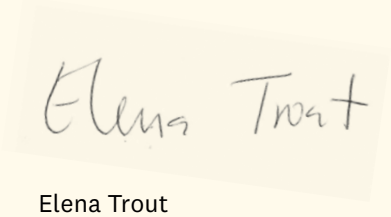
Elena Trout
Board Chair
23 June 2026

Statement of responsibility

This Statement of Performance Expectations for 1 July 2026 to 30 June 2027 has been prepared in accordance with the Crown Entities Act 2004 and the disclosure requirements of service performance reporting standard PBE FRS 48.

In signing this statement, we acknowledge our responsibility for the information contained in this document and confirm EECA's systems and processes provide reasonable assurance about the integrity and reliability of its prospective operations and financial statements.

Signed on behalf of the Board



Elena Trout
Board Chair
23 June 2026



Dr. Daniel Tulloch
Board Member
23 June 2026

About EECA

This section provides information about why we exist, what we do and how we are funded.

Why do we exist?

The Energy Efficiency and Conservation Authority (EECA) is the New Zealand Government's expert agency on how energy is used and how it can be improved. Established through the Energy Efficiency and Conservation Act 2000, EECA's purpose is:

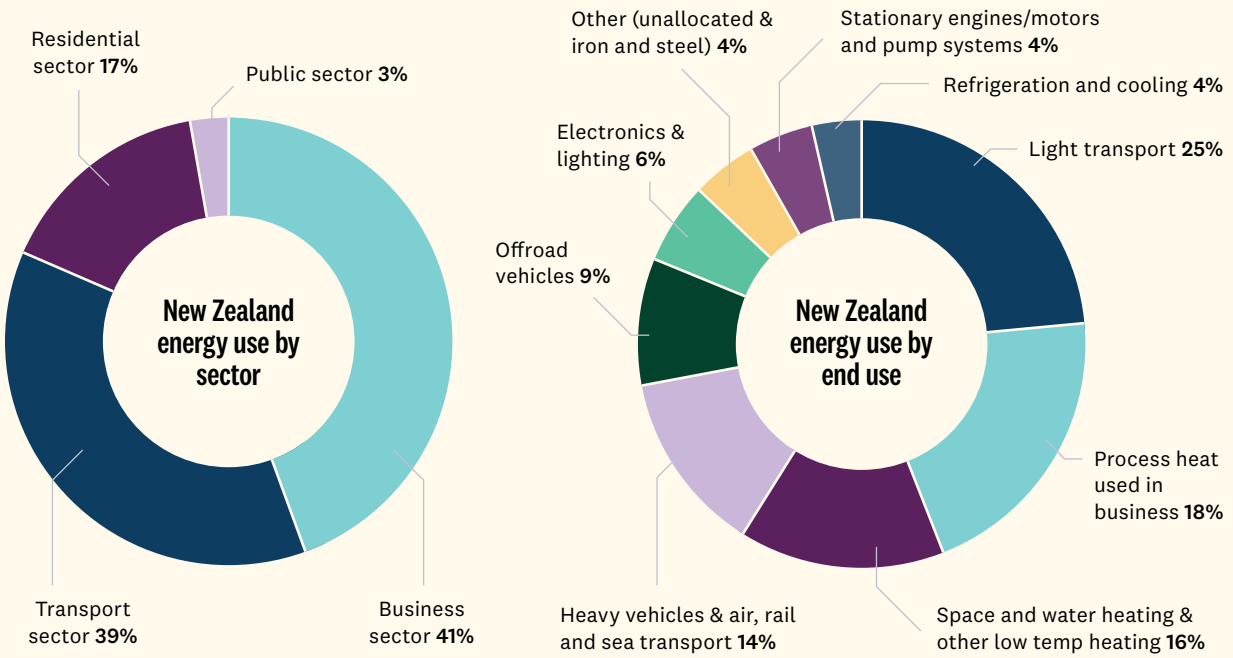
> **"to encourage, promote, and support energy efficiency, energy conservation, and the use of renewable sources of energy."**



What is energy and how is it used?

Energy comes from natural resources such as the sun, wind, water, geothermal heat, bioenergy and fossil fuels. These resources are converted into usable forms such as electricity, liquid fuels and heat to power many aspects of everyday life.

People often think of energy use in the home, particularly keeping warm through heating. However, the overall energy system is large and complex. In fact, most of New Zealand's energy is used in the transport and business sectors to run equipment, produce process heat and power vehicles.



Source: 2024 data from EECA's Energy End Use Database (2026).

What is energy efficiency and conservation?

Energy efficiency and conservation are ways to reduce unnecessary energy use and make better use of the energy we have. Energy efficiency means using less energy to perform the same task through more efficient technologies or processes. For example, an efficient LED light bulb still lights up the room – but it uses much less energy than an incandescent bulb.

Energy conservation means avoiding or reducing energy use when it is not needed. For example, turning off the lights when no one is in the room.

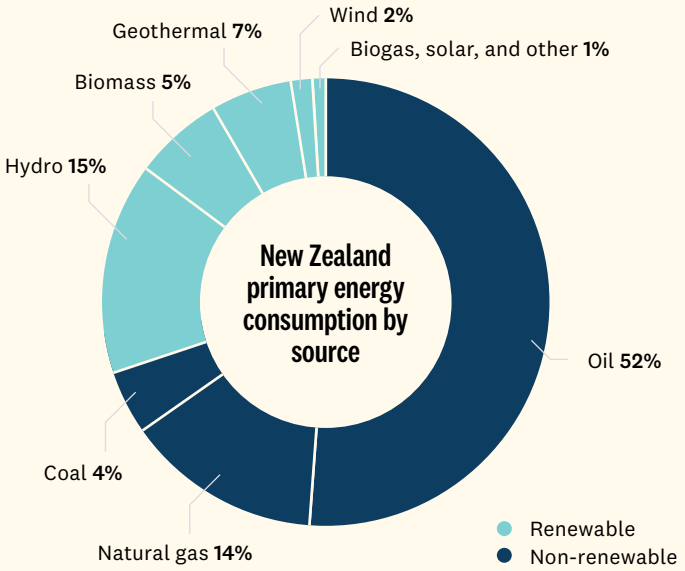
Energy can also be used flexibly. Energy use can be strategically shifted to times when it is more available or lower cost, often with the help of smart technologies and systems. For example, charging an electric vehicle overnight when electricity demand and prices are low.

What are renewable sources of energy?

Renewable energy comes from natural resources such as solar, hydro, geothermal, bioenergy, wind and marine energy. These resources can be replenished and typically produce low levels of greenhouse gas emissions.

In contrast, non-renewable energy comes from resources that are finite and take millions of years to form. These include fossil fuels such as coal, oil and natural gas. When these fuels are used, they are gradually depleted and typically produce higher levels of greenhouse gas emissions.

New Zealand has a wide range of local renewable energy resources. Wind, hydro and geothermal energy already power a large share of our electricity system. However, electricity is only part of our total energy use. Across the whole economy, around 70% of New Zealand's energy still comes from non-renewable sources – mostly imported from overseas. We rely on fossil fuels for 99% of transport energy and around 60% of industrial energy.



Source: 2024 data from EECA's Energy End Use Database (2026) and the Ministry of Business, Innovation and Employment's Energy Balance Tables (2026) and Electricity Statistics (2026).

Why does efficient and renewable energy use matter?

Like many countries, New Zealand must balance what is known as the energy trilemma – ensuring energy is affordable, reliable and sustainable. If energy is too expensive, unreliable when needed or unsustainable, it creates challenges for households, businesses and the economy.

Energy efficiency, conservation and the use of renewables can help achieve this balance by reducing energy costs, supporting economic growth, easing pressure on the energy system and lowering emissions.

Supporting affordable energy and a productive economy

An abundant, affordable energy system enables a competitive, high-growth economy.

Energy affordability is the ability of a consumer to afford the cost of energy without it disproportionately impacting their income and financial stability.

Energy bills represent a significant expense for New Zealand households and businesses. Prices reflect the investment required to generate, import and deliver energy reliably – from power stations and fuel supply chains to transmission lines and local networks. They are also shaped by global fuel markets, infrastructure needs and demand.

In the coming years, prices are expected to become more volatile as demand grows, infrastructure investment increases and global fuel markets fluctuate.

Efficient, smart and renewable energy use is a crucial opportunity to keep energy bills down and support our economic growth:

- Energy efficiency and conservation help households and businesses use less energy, directly lowering energy bills. This also lowers demand on the energy system and the need for additional infrastructure, while improving business productivity.
- Smart technologies and systems allow consumers to better manage when they use energy, shifting consumption to off-peak times when prices are often cheaper. Our research shows that demand flexibility in the electricity system could save New Zealand up to $3 billion.1
- Use of local renewable energy reduces exposure to global fuel supply and price fluctuations and can increase competition in the energy market, helping lower costs for consumers. Distributed energy resources – such as rooftop solar, battery systems and on-site bioenergy – also allow households and businesses to generate and manage some of their own energy rather than purchasing it.

1 *The full potential of flexible electricity use in New Zealand*, EECA, 2026.

Improving the reliability and security of our energy system

Energy security means having a reliable energy system that can provide energy when and where it is needed. It also means having enough supply to cope with sudden increases in demand or unexpected disruptions, such as dry years, extreme weather events, or global disruptions to fuel supply or prices.

Maintaining energy security will become more complex as demand grows and the energy system transitions to a different mix of sources. Energy security depends on having sufficient generation and supply, well-maintained infrastructure, diverse energy sources, and the ability to manage peak demand and respond to disruptions.

Efficient, smart and renewable energy use is foundational for New Zealand's energy security and resilience:

- Energy efficiency and conservation are simple, cost-effective ways to reduce energy demand and make the most of existing resources and infrastructure.
- With the ability to respond to energy signals in real time, smart technologies and systems can manage and shift energy demand, including during peak periods of pressure on supply systems.
- Use of local renewable energy reduces New Zealand's dependence on fuel from overseas. This helps make our energy system more secure and better able to cope with supply events such as international crises, transport disruptions or sudden price changes.

Lowering emissions from energy use

Around 40% of New Zealand's total greenhouse gas emissions come from energy use, largely in the transport and industrial sectors.

Efficient, smart and renewable energy use is an important part of New Zealand's transition to a more sustainable and resilient economy:

- Energy efficiency and conservation reduce emissions by decreasing the amount of energy used, resulting in fewer emissions from energy generation, supply and use.
- Smart technologies and systems can shift electricity use to times when renewable generation is more available, helping make better use of low-emissions energy already in the system.
- Renewable energy produces little or no greenhouse gas emissions compared to fossil fuels.

What do we do?

Our statutory purpose is “to encourage, promote and support energy efficiency, energy conservation and the use of renewable sources of energy.”

As an operational government agency, it is our job to deliver practical programmes that enable households, businesses and communities to make smarter choices about how they use energy.

We also work across the energy system with industry, communities and policymakers to strengthen the settings and market conditions that make these choices accessible, affordable and achievable.

As set out in our Statement of Intent 2024–2028, we use three levers within our work:



Regulation

Regulation is an important tool to help households and businesses make the most of smart, efficient products that unlock energy cost savings and reduce system demand. We set minimum energy performance standards for products and equipment in the market, ensuring that New Zealanders only have access to energy-efficient options. Energy labelling requirements provide clear, trusted information at the point of purchase, enabling buyers to easily compare products and choose the most efficient option. In addition, we work with industry to develop performance specifications, best practice guidance, and other resources that address information gaps and support consistent standards across the market.



Information and coordination

Many households and businesses want to make better energy choices, but they are unsure what their options are or how to get started. We provide independent, evidence-based information, practical advice, and easy-to-use tools to help New Zealanders make smart energy decisions. This helps lower energy bills, improve business productivity, and reduce pressure on our energy systems.

We also work behind the scenes to make sure smart, efficient, and renewable options are available and accessible. We coordinate with industry, suppliers, communities, and wider government to help remove barriers and connect energy users with practical solutions.



Targeted investment and support

The adoption of efficient technologies and renewable fuels can be slowed by barriers like high upfront costs, uncertainty about returns, limited access to capital, and supply or coordination challenges. We use targeted funding and co-investment approaches to overcome these barriers, helping get viable options off the ground and scaling solutions that save money, improve business productivity, and benefit our wider energy system. We are committed to investing in a way that provides value for money and delivers strong outcomes for New Zealanders.

How are we funded?

Most of our funding comes from the Crown through appropriations in Vote Business, Science and Innovation. Some of our funding is cost-recovered through levies on participants in the petroleum and engine fuel, electricity and natural gas sectors. In addition, we receive a small amount of funding from third party organisations to support specific programmes.

Summary of our funding for 2026/27

$222.022m	$13.500m	$7.543m	$2.216m	$4.185m
Crown funding	Petroleum or Engine Fuel Monitoring Levy funding	Electricity Industry Levy funding	Gas Safety, Monitoring, and Energy Efficiency Levy funding	Third party and other funding (e.g. interest)

Funding appropriations

Each of our funding appropriations for 2026/27 is outlined in the table below. How much we plan to spend on each programme can be found on page 27.

Type of funding	Appropriation purpose and funded programme(s)
Energy Efficiency and Conservation	
Ongoing baseline funding for statutory activities	This appropriation is intended to achieve improvements in energy efficiency, energy conservation and the use of renewable energy in accordance with EECA's statutory function and government energy strategies. It funds baseline programmes like Standards and Regulations, Informed Energy Choices, Energy Data and Research, Distributed Flexibility, Technology and Fuel Enabler, and EECA support for the government's Gas Transition Loan Guarantee Scheme.
Assisting Households in Energy Hardship	
Ongoing funding for active programme	This appropriation is intended to achieve warmer homes and lower energy bills for households in energy hardship. It funds the Supporting Energy Education in Communities (SEEC) Programme, which provides specialist home energy advice and low-cost energy efficient devices.

Type of funding	Appropriation purpose and funded programme(s)
Community Renewable Energy 2025–2028	
Time-limited funding for active programme	This appropriation is intended to improve energy affordability and resilience in communities through renewable energy solutions. It funds the Community Renewable Energy Fund (CREF), which supports the installation of renewable energy systems like solar on community buildings and schools to increase resilience during disasters and reduce day-to-day energy costs.
Grant Scheme for Warm, Dry, and Energy Efficient Homes 2023–2028	
Time-limited funding for active programme	This appropriation is intended to achieve energy savings and health benefits for households. It funds the Warmer Kiwi Homes programme, which provides grants for the installation of insulation and efficient heating to improve the thermal performance of homes occupied by low- and middle-income owners.
Implementation of the Grant Scheme for Warm, Dry, and Energy Efficient Homes 2023–2028	
Time-limited funding for active programme	This appropriation funds the implementation costs associated with delivering the Warmer Kiwi Homes programme (above).
Clean Heavy Vehicles Grants 2026–2031	
Time-limited funding for active programme	This appropriation is intended to achieve the increased use of low-emissions heavy vehicles and infrastructure by supporting early adopters to overcome the barriers to uptake. It funds the Low Emissions Heavy Vehicle Fund (LEHVF). The LEHVF provides grants to support organisations to purchase low-emissions heavy vehicles or to convert heavy vehicles to low-emissions technology and develop, install, or upgrade clean fuel, charging and refuelling infrastructure.
Public Electric Vehicle Charging Hubs and Infrastructure 2023–2028	
Time-limited funding for closed programme	This appropriation is intended to achieve a nationwide network of public electric vehicle (EV) charging hubs and additional infrastructure to support EV charging in rural and regional communities. The funding in this appropriation relates to future payments on existing EECA project contracts under the Public EV Charging Programme. Note the programme was transferred to the National Infrastructure Funding and Financing in 2025 for management of future investment in this area.
Accelerating Energy Efficiency and Fuel Switching in Industry 2022–2027 and 2026–2030	
Time-limited funding for closed programmes	These appropriations are intended to achieve an increase in the deployment of energy efficiency and renewable energy technologies in industry to reduce emissions and support economic activity and employment. The funding in these appropriations relates to future payments on existing project contracts under the closed Government Investment in Decarbonising Industry (GIDI) Fund.

What we will deliver this year

This section provides information about our strategic goals and the programmes we plan to deliver in 2026/27 to help achieve them, including our performance targets and how much we expect to spend.

Structured by strategic goals

It is important our programmes make progress towards the strategy we set in our Statement of Intent 2024–2028. This section is structured by our three strategic goals, making it easy to see what we are trying to achieve and how our programmes contribute.

- Energy efficiency first
- Empower energy users
- Accelerate renewable energy

Symbols for supporting government priorities

It is our job to deliver programmes that support the Government's priorities for New Zealand's energy system. The Minister for Energy has set two energy priorities for EECA – energy affordability and energy security. Throughout this section, we use symbols to indicate the programmes that support these priorities.

- Energy affordability
- Energy security

Judgements made in the selection of performance measures and targets

We consider that the activities selected for measurement and reporting in 2026/27 align with our strategic goals and reflect where we expect to invest the most time and resources during the financial year. These measures will provide readers with the most appropriate and meaningful information about our performance.

We also consider that the selected performance measures will meet stakeholder needs by demonstrating what we delivered during the financial year and the progress made towards against achieving the outcomes in our Statement of Intent 2024–2028.

Where relevant, specific measurement information is provided alongside each performance measure.

Energy efficiency first

Efficient energy use is the first option users adopt.

The outcomes we seek

- Users accept and adopt energy efficient products and practices.
- Proven energy efficient technologies are identified and widely available.

Why energy efficiency first?

Improving efficiency is the easiest and most affordable first step in managing energy use. It is also one of fastest ways to reduce energy costs and ease pressure on New Zealand's energy system.

Simple changes – such as switching to efficient lighting, upgrading to smarter equipment or improving the way processes are run – can reduce the use of all types of energy without disrupting daily life or business operations. These improvements often deliver immediate energy savings that lower energy bills and boost business productivity. The average household could save around $1,000 per year by switching to more efficient appliances, while many businesses could cut their energy use by 10-30% through efficiency improvements.

Using energy more efficiently also reduces pressure on generation, fuel supply and network infrastructure. It allows us to make better use of existing resources, right-size future investment and strengthen the security of our energy supply. For example, our analysis shows that investment in electricity efficiency could free up around 4,000 GWh of renewable electricity capacity – at a lower cost than building new renewable generation.[2]

Programmes and measures of performance

Energy efficiency is often not implemented, even when it makes financial sense. This is because households and businesses can be unaware of the opportunities available to them, face challenges with the upfront costs, or lack the time and expertise to identify the best options. The following programmes provide trusted information, practical support and targeted investment to break down the barriers to energy efficiency in New Zealand.

Standards and Regulations Programme

Standards, regulations and trusted guidance are important tools to lift energy efficiency in New Zealand. In collaboration with Australia, the Standards and Regulations programme helps New Zealanders make smart, efficient choices that reduce energy bills and overall demand on our energy systems. Since 2002, the programme is estimated to have saved households and businesses over 108 PJ of energy – equivalent to the yearly energy use of around 2.5 million homes and $2.6 billion in national benefit.

2 Estimates are based on the Ministry of Business, Innovation and Employment's (MBIE) Levelised Cost of Electricity (LCOE, 2021) with adjustments for inflation to present day and EECA's New Zealand Energy Scenarios TIMES-NZ 2.0 (2021) with costs updated based on data from EECA programmes.

Product energy performance standards

Our Minimum Energy Performance Standards (MEPS) require energy-using products and appliances to meet minimum energy efficiency standards to be sold in New Zealand, ensuring only efficient options are available on the market.

Changes to our regulatory legislation are expected to come into effect this financial year, making it simpler to update and introduce regulations for energy-using products and systems, boosting energy savings from regulation and helping New Zealand keep pace internationally. We will also be able to regulate product 'smartness' – the capability of products and systems to adjust their energy consumption, with permission, in response to external signals (i.e. demand response).

Product and vehicle labelling regulations

We enforce Mandatory Energy Performance Labelling (MEPL) – 'energy star' product efficiency rating labels – and Vehicle Emissions and Energy Economy Labelling (VEEEL). Energy labelling requirements provide clear, trusted information at the point of purchase, allowing buyers to easily compare products and choose the most efficient option.

Best practice guidance and resources

We work with industry to develop performance specifications, best-practice guidance, approved technology lists and other resources that address information and regulatory gaps. These resources support the consistent installation and operation of efficient and renewable technologies, and help consumers and installers identify high-performing, reliable and energy-efficient products.

Energy efficiency rating system for commercial buildings

We provide access to the National Australian Built Environment Rating System for New Zealand (NABERSNZ). NABERSNZ is a system for rating the energy efficiency of offices and hospitals and identifying energy performance improvements. The assessments lead to energy and cost-saving opportunities and can improve the value and desirability for investors and prospective tenants.

Performance measure	2025/26 target	2025/26 estimated result	2026/27 target
1. Energy saved annually by consumers and businesses as a result of purchasing new energy efficient appliances subject to regulatory requirements (MEPS/MEPL)	1.20 PJ	1.48 PJ	1.30 PJ
2. Number of product classes tested to assess performance against regulatory requirements (MEPS/MEPL)	3 product classes	3 product classes	3 product classes

Notes

- **Measure 1** – The reported energy savings represent the difference between a calculated baseline (assuming the MEPS/MEPL regulatory programme did not exist) and the actual energy use of products, based on sales and registration data collected by EECA.

Under section 9(3) of the Energy Efficiency Regulations 2002, manufacturers and importers must submit sales data to EECA by August each year for the period 1 April to 31 March. Accordingly, the 2026/27 reported savings will relate to the sales period of 1 April 2025 to 31 March 2026. The lower target for 2026/27 reflects forecasting based on the current New Zealand regulatory and economic context. It is equivalent to the annual stationary energy use of around 31,000 homes.

- **Measure 2** – Performance testing is undertaken by an independent accredited laboratory. A product class is considered tested at the conclusion of initial unit testing (further testing is only triggered if non-compliance is detected).

Warmer Kiwi Homes Programme

Financial constraints often prevent households from adopting energy efficient technologies that reduce power bills and achieve other major co-benefits like improved health and wellbeing.

Insulation improves home energy efficiency by keeping warmth inside during winter and heat out during summer, meaning less energy is needed to heat or cool the home. Heat pumps are a far more efficient option than traditional heaters or coolers, requiring less electricity to provide the same level of heating or cooling.

The Warmer Kiwi Homes programme contributes 50–90% of the cost of retrofitting ceiling and underfloor insulation and up to 90% of the cost of efficient heat pumps in low- to middle-income owner-occupied homes. Working with installers and community organisations, the programme has delivered over 200,000 retrofits since 2018.

An independent evaluation found the programme reduced household electricity use by around 16% over winter and lowered electricity demand at almost all times of the day. It also reduced condensation and dampness while improving warmth, comfort and satisfaction with the home. Overall, the evaluation found that every dollar invested in the programme delivered an estimated $4.36 in wellbeing and energy benefits – saving New Zealand money in the long run.[3]

Performance measure	2025/26 target	2025/26 estimated result	2026/27 target
3. Number of insulation and heating retrofits installed	23,000 retrofits	25,000 retrofits	23,000 retrofits
4. Percentage of sampled insulation and heating retrofits that comply with installation standards	95%	98%	95%

Notes

- **Measure 4** – An independent auditor assesses a sample (approximately 5%) of completed retrofits.

3 *Evaluation of the Warmer Kiwis Homes Programme: Full Report including Cost Benefit Analysis*, Motu (2022).



Empower energy users

Users are empowered to control their energy use.

The outcomes we seek

- Users understand, manage and conserve their energy use.
- Users get value from responsive and flexible energy systems.

Why empower energy users?

Empowering households and businesses to take control of how and when they use energy – and even generate their own – creates opportunities to lower energy bills and strengthen the security of our wider energy system.

Individuals, communities, small businesses and large companies all use energy, yet many do not fully understand their energy use, how to manage it effectively or where savings can be made. It is important that users are empowered with clear information, evidence and practical tools to help them make informed decisions and take greater control of their energy use across all fuel types.

Distributed flexibility – a smart grid system enabled by connected technologies – is creating new opportunities for consumers to play a more active role in how and when they use energy. With New Zealand's electricity demand growing, there are times of the day and year when pressure on the system is highest and electricity prices peak. Smart technologies and systems allow households and businesses to shift, reduce, store or export electricity at key times, helping them lower their energy costs while supporting a more efficient and resilient electricity system. Our research shows that around 25% of New Zealand's peak electricity demand could be shifted cost-effectively, saving New Zealand up to $3 billion in avoided infrastructure investment.[4]

Distributed energy resources, such as solar panels, battery storage and on-site bioenergy systems, are an important part of a more flexible energy system. As these technologies become more widely available, they increase the amount of flexible energy capacity available across the electricity system. When used flexibly, they can help reduce pressure on the grid during peak periods, support the integration of renewable energy, and strengthen resilience during outages and other disruptions.

Programmes and measures of performance

The following programmes empower energy users to make informed energy decisions by providing trusted information, independent research, practical tools and targeted assistance. They also help build the evidence base and support the system settings needed to enable more efficient and flexible energy use across New Zealand.

4 *The full potential of flexible electricity use in New Zealand,* EECA (2026).

Informed Energy Choices Programme

Limited awareness, uncertainty and lack of access to trusted, evidence-based information are barriers to consumers making efficient, renewable energy decisions that lower energy costs and strengthen the resilience of New Zealand's energy system.

The Informed Energy Choices Programme provides independent, accessible information and tools that help New Zealanders and businesses understand and manage their energy use, build confidence in energy-efficient technologies and practices, and support energy decisions that best suit their specific circumstances. This financial year, the programme will have a specific focus on:

- Providing gas-using businesses – from large industrials to small and medium-sized enterprises – with advice, case studies, tools and resources to help them use energy efficiently, optimise processes and plan ahead for a secure energy future.
- Supporting the agriculture sector to make informed decisions about solar and battery systems by providing information and tools that help farmers and growers understand and assess the cost and resilience benefits for their particular circumstances.
- Providing households with information and tools to use energy efficiently, particularly to help them stay warm and dry in winter when energy use and bills are higher, understand the total cost of ownership of technologies, and make informed decisions when equipment reaches a natural point of replacement.

Performance measure	2025/26 target	2025/26 estimated result	2026/27 target
5. Individuals' knowledge of ways to increase their energy efficiency	Knowledge is higher in individuals that are aware of EECA or have engaged with EECA	Achieved – knowledge is 15% higher	Knowledge is higher in individuals that are aware of EECA or have engaged with EECA
6. Businesses' knowledge of ways to increase their energy efficiency	Knowledge is higher in businesses that are aware of EECA or have engaged with EECA	Achieved – knowledge is 10% higher	Knowledge is higher in businesses that are aware of EECA or have engaged with EECA
7. Return on investment for significant information provision activities	More than $1 of benefit for each dollar invested	$4.60 of benefit for each dollar invested in a winter energy savings campaign and $6.92 of benefit for each dollar invested in a fuel efficiency campaign	More than $1.50 of benefit for each dollar invested

Notes

- **Measures 5 and 6** – Data is sourced from surveys conducted by an independent third party on behalf of EECA.
- **Measure 7** – Significant information provision activities are defined as those receiving over $1 million of government investment. The quantified value of the activity is divided by the cost of the activity to determine the return on investment. Note EECA does not anticipate delivering information provision activities that meet this threshold in 2026/27.

Energy Data and Research Programme



High-quality data and research underpin effective advice and investment and are central to EECA's role as a trusted authority on energy use in New Zealand.

The Energy Data and Research Programme provides robust, independent evidence to inform consumer decision-making, industry investment, government policy and programme design.

Technical research

We undertake a range of cutting-edge technical research on products and technologies, fuels and energy systems to provide insights that support technology adoption, inform investment pathways, and build a secure, affordable and sustainable energy system. Examples of planned work this financial year include research on opportunities for thermal energy storage, future fuel options in hard-to-abate sectors, and the implications of future data centre growth for New Zealand's energy system.

Market research

We conduct market research to understand energy users, including their behaviours, needs, and barriers to change. This helps us accurately represent their perspectives and ensures our advice, programmes, and communications are relevant, targeted, and effective.

In addition to our regular consumer and business monitoring, we will undertake research this financial year to support businesses transitioning from gas, inform education and training initiatives on distributed flexibility, and improve understanding of opportunities to support the solar installation market.

Energy data and modelling

We collect, integrate and analyse energy data to build models, maps and tools of energy use and the broader system. Key data and modelling we deliver includes:

- The New Zealand Energy Scenarios (Times-NZ 3.0) is a world-leading and comprehensive model of the whole New Zealand energy system. It is designed to produce the lowest-cost solution to meeting energy demand, making it a valuable tool for developing insights, strategy and policy.
- We undertake comprehensive regional mapping work to better understand energy availability and use in New Zealand to help bridge the gap between supply and demand across different sectors. This financial year we will focus on mapping related to biogas and geothermal heat.
- The Energy End Use Database provides top down, annual estimates of how energy is used across the New Zealand economy. Delivered energy estimates are provided for fuel types, sectors, end uses and technologies.

Performance measure	2025/26 target	2025/26 estimated result	2026/27 target
8. Number of research and insights publications and tools produced	At least 15 publications and tools	17 publications and tools	15 publications and tools

Supporting Energy Education in Communities (SEEC) Programme

Limited knowledge and financial constraints often prevent households experiencing energy hardship from making savings on their energy bills and realising the health and wellbeing benefits of a warm, dry home.

The SEEC Programme provides targeted households with tailored advice and practical tools to help lower their energy costs and improve the health of their home. Working through trusted community partners, the programme provides in-home assessments, expert advice on how to use energy more efficiently in their specific home, and low-cost energy-saving devices. Households can be referred to SEEC through existing community and government organisations, and SEEC partners can connect them with additional support services where needed.

Since 2021, the programme has delivered in-home advice to almost 17,000 households and distributed more than 165,000 low-cost energy-saving devices. An independent evaluation found that every dollar spent on the programme returns $2.21 in benefits.[5]

Performance measure	2025/26 target	2025/26 estimated result	2026/27 target
9. Number of households that receive in-home energy advice	1,500 households	2,500 households	2,000 households

Notes

- **Measure 9** – The increased target for 2026/27 reflects our improved operating model focused on delivering support to more households using a targeted group of community partners.

Distributed Flexibility Programme

Distributed flexibility is a 'smart grid' system that enables electricity supply and demand to be balanced through connected and interoperable technologies. Households and businesses can shift, reduce, store or export electricity in line with their preferences – and be rewarded for doing so when it benefits the grid. In addition to unlocking consumer energy cost savings and improving overall grid efficiency and resilience, distributed flexibility could save New Zealand up to $3 billion in avoided infrastructure investment.

While well-established in other countries, New Zealand's market for smart products and systems is still developing. The Distributed Flexibility Programme aims to build the real-world evidence base for accelerating distributed flexibility in New Zealand by supporting trials, market development and system settings that enable participation and increase confidence in smart technologies and systems.

Efficient and flexible commercial and industrial technology

The commercial and industrial sectors account for over 40% of New Zealand's energy demand. Supporting more efficient and flexible energy use in these sectors represents one of the most immediate and impactful opportunities to reduce pressure on our electricity system, avoid costly infrastructure upgrades and improve energy productivity.

5 *Evaluation of the Support for Energy Education in Communities Programme,* Martin Jenkins (2024).

This financial year, the Distributed Flexibility Programme will partner with industry through an Efficient Demand Flexibility initiative to accelerate uptake of flexibility-enabling technologies such as battery storage, thermal storage and interruptible load management. These technologies will help businesses access lower-cost energy during peak periods while significantly reducing the need to invest in new electricity network connections.

Vehicle-to-everything (V2X) technology

Two-way electric vehicle chargers, also known as V2X chargers, are an emerging technology that enables electric vehicles to act like mobile batteries – storing electricity and supplying it to a home, building or the local electricity grid when the driver chooses. This is particularly useful during periods of high electricity demand. For example, a driver could use their electric vehicle battery to power their home during peak pricing periods or choose to supply electricity back to the grid in return for payment.

The use of two-way electric vehicle charging technology can lower power bills, provide backup power during outages and help make use of renewable energy like rooftop solar. It also unlocks more value from electric vehicles, which are typically parked for much of the day. For the electricity system, it can reduce pressure on local networks, delay or avoid the need for expensive network upgrades and support a more efficient and resilient grid.

Building on an initial pilot we are delivering in Queenstown, the Distributed Flexibility Programme will support further real-world trials of two-way electric vehicle charging technology this financial year. The trials will target a range of urban use cases, technologies and user scenarios to develop evidence on the performance, benefits and practical requirements of two-way charging in New Zealand, improve understanding of consumer experiences and behaviours, and identify opportunities and barriers to wider adoption.

Scaled demand flexibility

Demand flexibility is the ability to adjust when and how electricity is used in response to signals such as electricity prices, grid conditions or renewable energy availability. Two-way communication between smart devices and flexibility service providers enables a flexible response to demand peaks. Demand flexibility can lower consumer energy costs, improve grid efficiency, help manage peak demand and reduce the need for infrastructure investment. However, without real-world examples of demand flexibility in New Zealand, large-scale adoption remains slow.

This financial year, we will support the ongoing delivery of Scaled Demand Flexibility Pilot projects funded in prior years in partnership with six electricity distribution businesses (EDBs). The pilots target parts of the EDB networks that are supply-constrained and will generate data about the benefits and value of demand flexibility as a solution to support grid resilience, defer or avoid network upgrades, and unlock consumer savings.

Performance measure	2025/26 target	2025/26 estimated result	2026/27 target
10. Percentage of industry support contracts managed in accordance with agreed terms and conditions	100%	100%	100%

Accelerate renewable energy

Users transition to low-emissions energy.

The outcomes we seek

- Users plan for and adopt low-emissions energy and technologies.
- Fuel options for energy transition are identified and widely available.

Why accelerate renewable energy?

Greater uptake of renewable energy will reduce consumers' exposure to volatile fossil fuel prices, improve resilience to supply disruptions, and lower emissions – strengthening the affordability and security of our energy system.

Renewable sources of energy come from natural resources that can be replenished and will not run out – like solar, hydro, bioenergy, wind and marine. New Zealand has abundant and diverse renewable energy sources, which produce significantly lower emissions than fossil fuels.

While our electricity system is already largely renewable, electricity represents only part of New Zealand's total energy use. Just 30% of all energy consumed in New Zealand comes from renewable sources, with fossil fuels continuing to play a major role in our transport and industrial sectors. This reliance on fossil fuels – much of which is imported from overseas – leaves many households and businesses exposed to supply pressures and price volatility. Growing the availability and use of local renewable energy can provide more affordable and predictable energy, strengthen energy security and resilience, and reduce emissions from energy use.

Programmes and measures of performance

Community Renewable Energy Fund (CREF)

Solar and battery systems can improve energy resilience, particularly in emergencies, and reduce day-to-day energy costs. CREF helps overcome financial and coordination barriers to the uptake of solar and battery systems for community buildings and schools by contributing to the installation costs.

Solar on community buildings

Community buildings are often used to protect people in emergency events. Since May 2023, over 200 community sites have been supported to install solar and battery systems. Suitable buildings (e.g. marae, places of worship and community halls) are identified and prioritised in collaboration with government agencies, local authorities, Civil Defence Emergency Management, and community and Māori organisations.

Solar on schools

As announced in Budget 2026, CREF is boosting solar uptake in up to 500 schools in partnership with the Ministry of Education. Schools are prioritised based on criteria relating to energy or fuel insecurity, high energy costs, or scheduled gas or diesel boiler replacements. Solar on schools will be delivered through a phased rollout starting this financial year and finishing in 2028.

Performance measure	2025/26 target	2025/26 estimated result	2026/27 target
11. Number of community sites supported	80 sites	100 sites	80 sites
12. Number of school sites supported	New measure	N/A (new activity)	200 sites

Low Emissions Heavy Vehicle Fund (LEHVF)



The transport sector is heavily reliant on fossil fuels. Heavy vehicles make up less than 5% of New Zealand's vehicle fleet but produce around a quarter of road transport emissions. Transitioning to zero and low-emissions heavy vehicles presents a significant opportunity to reduce emissions while lowering operating and maintenance costs over time. These vehicles are readily available, but the high upfront purchase price and uncertainty about total cost of ownership is slowing their uptake.

The LEHVF aims to increase the number of zero and low-emissions heavy vehicles on New Zealand's roads. The fund contributes up to 25% of the purchase cost of selected new zero and low-emissions heavy vehicles or the cost to convert existing higher-emitting heavy vehicles to be powered by low-emissions technology. Since September 2024, 140 low-emissions heavy vehicles have been supported through the fund.

This financial year, the scope of the fund has been expanded to include enabling projects like heavy charging, clean fuel and refuelling infrastructure. By helping to overcome upfront cost barriers, the fund supports the heavy freight sector to adopt low-emissions options that can reduce operating costs over time while building market confidence and capability.

Performance measure	2025/26 target	2025/26 estimated result	2026/27 target
13. Number of low-emissions heavy vehicles ordered	50 vehicles	110 vehicles	50 vehicles
14. Number of low-emissions heavy vehicle charging hubs supported	New measure	N/A (new activity)	1 charging hub

Technology and Fuel Enabler (TAFE) Programme

Energy is a considerable expense for businesses, with rising prices and tightening gas availability creating additional pressures. Efficient technologies and renewable fuels can help lower operating costs, improve productivity and strengthen energy security.

Viable solutions are emerging, but some require further development to become widely available in New Zealand – including building supply chains, technical capability and coordination between suppliers and end users. Even where technologies and fuels are available, businesses can still face barriers to adoption such as limited information, technical complexity, high upfront capital costs and uncertainty about performance.

The TAFE Programme works with industry to identify and address the barriers to efficient technologies and renewable fuels, particularly in emerging or underdeveloped markets. The programme focuses on resolving information gaps and coordination failures through non-financial interventions such as expert advice, practical tools, technical guidance and stakeholder collaboration. Where non-financial support alone is insufficient, targeted funding is used to accelerate availability and uptake.

Efficient industrial heat

Industrial process heat is one of New Zealand's most energy- and emissions-intensive end uses. In recent years, EECA has successfully supported the uptake of efficient process heat technologies such as electrode boilers, biomass boilers and heat pumps operating below approximately 85°C. These technologies are now better understood, with additional work to be undertaken to further develop local capability and applications.

Very high temperature heat pumps (VHTHPs) are an emerging opportunity to improve industrial energy efficiency for process heat applications above 200°C. With efficiencies of 300–500%, they can significantly reduce energy use and operating costs. EECA has identified around 29 PJ of annual energy demand across approximately 300 sites that could potentially be supplied by VHTHPs, including 23.2 PJ currently fuelled by piped natural gas.

Despite this potential, uptake of VHTHPs in New Zealand remains limited. Businesses face uncertainty about the technical performance, costs and integration within their operations, making it difficult to justify investment. This financial year, our Very High Temperature Heat Pump Activator will address market information barriers by demonstrating and sharing the evidence from viable applications of the highly efficient technology in New Zealand – improving business productivity, building market capability and confidence, and enabling wider uptake.

Wood energy

Wood energy (woody biomass) refers to energy produced from wood-based organic materials – such as logs, chips, pellets or forestry residues – and is typically used for heat and, in some cases, electricity generation. Each year, around 8 million tonnes of woody biomass in New Zealand could be sustainably redirected for renewable energy use. The Government's Wood Energy Strategy and Action Plan signals its commitment to accelerating the use of wood energy in New Zealand.

Analysis shows that wood energy is now economically competitive with gas in many applications and can often be a cost-effective opportunity for converting coal boilers. However, the woody biomass sector remains nascent in New Zealand. Investment is frequently delayed by suppliers being hesitant to scale up without firm demand, while potential users are reluctant to invest without confidence in reliable, long-term fuel supply.

This financial year, we will support the ongoing delivery of initiatives funded in prior years through TAFE to develop investment cases for wood energy supply manufacturing facilities that help remove barriers to private investment, and to demonstrate wood biomass aggregation facilities that support a more resilient, lower-cost and higher-volume wood energy market in New Zealand.

Solar energy

Solar electricity via photovoltaics (PV) is the generation of electricity from sunlight. Solar investment can reduce energy costs, build energy resilience and improve business productivity. The technology is now proven, scalable and increasingly cost-effective. However, uptake can be slowed by upfront capital costs, information gaps, and perceived risk.

On-farm solar and battery storage is a practical, viable option to help New Zealand farms reduce on-farm costs and strengthen long-term energy resilience. This financial year, we will support the ongoing delivery of projects funded in prior years through the TAFE Solar on Farms initiative to demonstrate the benefits of solar for New Zealand farmers and growers and accelerate wider uptake across New Zealand.

Energy innovation

As part of Budget 2026 decisions, EECA will assume responsibility for selected programmes previously delivered by Ara Ake, New Zealand's national energy innovation centre. This includes the management and delivery of existing project contracts that support energy innovation.

The transfer process is currently underway. EECA will work to ensure a smooth transition and report progress on the transfer and delivery of these programmes in our Annual Report for 2026/27.

Performance measure	2025/26 target	2025/26 estimated result	2026/27 target
15. Percentage of industry support contracts managed in accordance with agreed terms and conditions	100%	100%	100%

Support for the Gas Transition Loan Guarantee Scheme

High gas prices and tightening supply are creating significant challenges for businesses using natural gas in New Zealand. To support businesses to reduce their reliance on gas, the Government has launched the Gas Transition Loan Guarantee Scheme, providing access to up to $1.2 billion in bank lending. Under the scheme led by the Treasury, the Crown will guarantee 80% of eligible loans, enabling participating banks to offer lower borrowing costs to businesses investing in fuel switching, energy efficiency, and other measures that reduce gas use.

To support uptake of the scheme, EECA will work with eligible businesses exploring options to reduce their reliance on natural gas. Early in the financial year, we will deliver a suite of support initiatives expected to include technical advice and decision-support tools, assistance to identify efficiency and fuel-switching opportunities, and support for feasibility studies and business cases.

Performance measure	2025/26 target	2025/26 estimated result	2026/27 target
16. Design and launch a suite of initiatives to support businesses exploring options to reduce their reliance on gas	New measure	N/A (new activity)	By 30 September 2026
17. Develop an appropriate measure to report the performance of the suite of initiatives supporting gas-using businesses to reduce their reliance on gas	New measure	N/A (new activity)	By 30 June 2027

Notes

- **Measure 16** – This measure relates to EECA's intention to launch an initial suite of initiatives providing direct support for businesses by 30 September 2026. We expect to provide additional support initiatives as needed following the initial suite; however, these initiatives are outside of the scope of this measure.

Legacy programmes

Legacy programmes are closed to new project applications but have active projects with outstanding contractual commitments and ongoing payments. EECA is responsible for managing these contracts and reporting on progress and outcomes.

Government Investment in Decarbonising Industry (GIDI) Fund

The Government Investment in Decarbonising Industry Fund is a closed programme that aimed to accelerate energy-related emissions reductions in industry. It supported multi-year projects that would not have proceeded at the same speed or scale without government co-investment. Supported projects were expected to deliver an estimated 1.6 million tonnes of industrial emissions reductions per year.

Performance measure	2025/26 target	2025/26 estimated result	2026/27 target
18. Expected annual emissions reductions versus actual annual emissions reductions for GIDI Fund projects completed during the financial year	At least 80% of expected reductions achieved	83% of expected reductions achieved	At least 80% of expected reductions achieved

Notes

- **Measure 18** – Emissions reductions are measured in tonnes of carbon dioxide equivalent (tCO_2e) as an average annual amount. For each project EECA contracted, the relevant emissions factors were used to calculate an 'expected' annual emissions reductions amount. The 'actual' achieved annual emissions reductions are confirmed once the project is fully operational and a satisfactory data collection and reporting period has taken place (approximately 12-18 months but can be longer depending on the nature of the project and the reporting). Once satisfactory 'actual' emissions reduction information is available to EECA, a project is considered completed and included for reporting. For contextual purposes the following will be included:
  - Aggregate actual and expected emissions reductions for all projects completed during the financial year.
  - Aggregate total fund actual and expected emissions reductions.

  The 80% emissions reduction target reflects the technical nature of the projects and the reliance on assumptions in estimating emissions reductions. Scope changes, changes in energy demand, operational changes, variation in the carbon intensity of the grid, and technical or design challenges can result in differences between projected and actual outcomes. Setting the target at 80% provides a realistic benchmark that recognises the uncertainties while still driving strong emissions reduction performance.

State Sector Decarbonisation Fund (SSDF)

The State Sector Decarbonisation Fund[6] is a closed programme that supported multi-year energy efficiency and renewable projects to reduce carbon emissions in the state sector. Over 125 projects were supported including fossil-fuelled boiler replacements, fleet transitions, energy efficient chillers and LED lighting. We will report on the progress of the fund in our Annual Report for 2026/27.

Public Electric Vehicle (EV) Charging Programme

The Government's Public EV Charging Programme has supported more than 1,300 public EV charging points, now found at least every 75km on most of the state highway network. In 2024, the programme was transferred to National Infrastructure Funding and Financing. EECA is responsible for managing the delivery and payment of our residual project contracts. We will report on the progress of the programme in our Annual Report for 2026/27.



6 Note SSDF funding is managed externally to EECA (including by the Ministry of Business, Innovation and Employment), so it does not appear in any of our financial statements.

Forecast revenue and expenditure by programme

	Budget 2026/27 $000[7]
OUTPUT CLASS: Supporting energy efficiency, energy conservation, and the use of renewable sources of energy	
Revenue	
Crown funding	222,022
Levy funding	23,259
Third-party funding[8]	790
Other funding	3,395
Total forecast revenue	**249,466**
Expenditure	
Standards and Regulations Programme	7,172
Warmer Kiwi Homes Programme	99,882
Informed Energy Choices Programme	9,551
Energy Data and Research Programme	10,901
Supporting Energy Education in Communities (SEEC) Programme	3,243
Distributed Flexibility (DF) Programme	9,524
Community Renewable Energy Fund (CREF)	16,099
Low Emissions Heavy Vehicle Fund (LEHVF)	7,285
Technology and Fuel Enabler (TAFE) Programme	17,946
Support for the Gas Transition Loan Guarantee Scheme	2,810
Government Investment in Decarbonising Industry (GIDI) Fund (legacy programme)	60,406
State Sector Decarbonisation Fund (SSDF) (legacy programme)	998
Public Electric Vehicle (EV) Charging Programme (legacy programme)	311
Other legacy programmes[9]	14,377
Total forecast expenditure	**260,505**

7 This table outlines budgeted expenditure only. It does not reflect additional contractual commitments EECA will enter into during 2026/27 where expenditure will take place in future years.

8 Third party funding is provided by community organisations to support households to receive insulation and heating retrofits through the Warmer Kiwi Homes Programme.

9 Legacy programmes are closed to new project applications but have active projects with outstanding contractual commitments and ongoing payments. 'Other legacy programmes' includes the Low Emission Transport Fund (LETF), the Technology Demonstration Fund, the Regional Energy Transition Accelerator (RETA) Programme, and business and public sector engagement programmes.



Financial information

This section outlines our 2026/27 financial statements and accounting policies.

Financial statements

Statement of forecast comprehensive revenue and expense

	Forecast 2025/26 $000	Budget 2026/27 $000
Revenue		
Funding from the Crown	259,235	245,281
Interest revenue	3,500	3,000
Other revenue	1,871	1,185
Total revenue	**264,606**	**249,466**
Expenditure		
Personnel costs	19,251	19,996
Financial and industry support	221,787	212,850
Depreciation and amortisation expense	308	423
Other expenses	24,926	27,236
Total expenditure	**266,272**	**260,505**
Surplus/(deficit)[10]	**(1,666)**	**(11,039)**
Total comprehensive revenue and expense	**(1,666)**	**(11,039)**

The accompanying notes form part of these financial statements.

10 In any given year, EECA's forecast expenditure does not necessarily match to forecast revenue. This is because EECA's forecast expenditure includes the payment of contractual funding milestones relating to multi-year commitments made in prior years, and an estimate of payments relating to new contractual commitments to be made during the financial year. The forecast deficit for 2026/27 relates to prior year financial and industry support commitments, where funding was drawn down and recognised during prior financial years ($11.039 million) and will be funded from EECA's committed reserves. EECA is forecasting a balanced operational budget for 2026/27.

Statement of forecast financial position

	Forecast 2025/26 $000	Budget 2026/27 $000
ASSETS		
Current assets		
Cash and cash equivalents	21,370	27,973
Receivables	50	2,550
Investments	85,000	60,000
Prepayments	858	923
Crown loan debtors	1,815	1,095
Loans and advances	54	393
Total current assets	**109,147**	**92,934**
Non-current assets		
Crown loan debtors	1,893	975
Loans and advances	367	1,093
Property, plant and equipment	1,118	1,697
Total non-current assets	**3,378**	**3,765**
Total assets	**112,525**	**96,699**
LIABILITIES		
Current liabilities		
Payables and deferred revenue	15,005	11,988
Employee entitlements	1,552	996
Crown loan creditors	1,815	1,095
Loan commitment liability	197	51
Lease incentives	69	132
Total current liabilities	**18,638**	**14,262**
Non-current liabilities		
Crown loan creditors	1,893	975
Loan commitment liability	47	-
Employee entitlements	146	160
Lease incentives	-	540
Total non-current liabilities	**2,086**	**1,675**
Total liabilities	**20,724**	**15,937**
Net assets	**91,801**	**80,762**
EQUITY		
Contributed capital	545	545
Accumulated surplus/(deficit)	91,256	80,217
Total equity	**91,801**	**80,762**

The accompanying notes form part of these financial statements.

Statement of forecast changes in equity

	Forecast 2025/26 $000	Budget 2026/27 $000
Opening equity	**93,467**	**91,801**
Total comprehensive revenue and expense	(1,666)	(11,039)
Closing equity	**91,801**	**80,762**

The accompanying notes form part of these financial statements.

Statement of forecast cash flows

	Forecast 2025/26 $000	Budget 2026/27 $000
Cash flows from operating activities		
Receipts from the Crown	272,964	245,281
Interest received	3,762	3,000
Receipts from other revenue	1,126	923
GST (net)	(1,167)	(5,200)
Financial and industry support payments	(226,835)	(213,296)
Payments to suppliers	(26,321)	(26,374)
Payments to employees	(19,157)	(20,538)
Net cash flows from operating activities	**(4,372)**	**(16,204)**
Cash flows from investing activities		
Receipts from sale or maturity of investments	175,000	135,000
Loan repayments received	2,216	1,840
Purchase of property, plant and equipment	(1,283)	(1,002)
Acquisition of investments	(180,000)	(110,000)
Payments to the Crown - loan repayments	(2,216)	(1,638)
Loans provided	(488)	(1,393)
Net cash flows from investing activities	**(6,771)**	**22,807**
Net increase/(decrease) in cash and cash equivalents	**(2,399)**	**6,603**
Cash and cash equivalents at the beginning of the year	23,769	21,370
Cash and cash equivalents at the end of period	**21,370**	**27,973**

The accompanying notes form part of these financial statements.

Statement of accounting policies

Reporting entity

The Energy Efficiency and Conservation Authority (EECA) is a Crown entity as defined in the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing EECA's operations includes the Crown Entities Act 2004 and the Energy Efficiency and Conservation Act 2000. EECA's ultimate parent is the New Zealand Crown.

EECA's primary objective is to provide services to the New Zealand public. EECA implements New Zealand Government strategies for energy efficiency, conservation and renewable energy in both the private and public sectors. EECA does not operate to make a financial return.

EECA has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

These prospective financial statements allow the Minister for Energy to consider our funding requirements and planned performance for 2026/27. Use of this information for other purposes may not be appropriate. Readers are cautioned that actual results are likely to vary from the information presented here and that the variations may be material.

The prospective financial statements are the responsibility of the Board and assumptions applied are considered appropriate. The prospective financial statements were authorised for issue by the Board on 23 June 2026.

Basis of preparation

The prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the periods covered.

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE FRS42 Prospective Financial Statements.

The prospective financial statements for the year ended 30 June 2027 will be used in the Annual Report as the budgeted figures.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000).

Significant assumptions

In preparing these prospective financial statements, EECA has made judgements, estimates and assumptions which may lead to differences between the prospective financial information and the actual financial results prepared in future reporting periods. EECA has undertaken a review of its financial models and believes they are fit for purpose in assisting EECA in preparing prospective financial information.

The prospective information for Energy Savings Loans and Efficient Demand Flexibility Loans are subject to significant judgement relating to the timing and quantum of the financial assets, repayments, and the interest rates used to arrive at the fair value of the financial assets and liabilities. These are further detailed in the accounting policies.

Significant accounting policies

Revenue

Funding from the Crown

EECA is primarily funded by the Crown. This funding is restricted in its use for the purpose of EECA meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of the funder.

EECA considers that there are no conditions attached to the funding, and it is recognised as revenue at the point of entitlement. This is considered to be the start of the appropriation period that the funding relates to.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Funding from Third Parties

Funding from Third Parties is recognised as revenue at the point of entitlement, unless there is an obligation to return the funds if the conditions of the funding are not met.

If there is such an obligation, the funding is initially recorded as revenue in advance and subsequently recognised as revenue when the conditions of the funding are met.

Provision of services

Services provided to third parties on commercial terms are exchange transactions. Revenue from these services is recognised in proportion to the stage of completion at balance date.

Interest revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Financial and industry support

EECA provides financial and industry support to enable energy efficiency and conservation initiatives to be undertaken. EECA becomes obliged to make a payment against contracts when prescribed activities are undertaken. Financial and industry support is accrued on the basis of the amount of work completed.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). EECA applies the simplified ECL model of recognising lifetime ECLs for short-term receivables.

In measuring ECLs, short-term receivables from the sale of goods and services have been grouped and assessed on number of days past due. The most significant receivables due at balance date are from the Crown for appropriations not yet received, with the remaining balance of receivables due from schools and other government agencies. These are guaranteed amounts, are all current and are therefore low risk. EECA has therefore assessed that the allowance for expected credit losses is nil.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Crown loans

Loans are initially recorded at fair value, being the notional value of the loans at date of acquisition or origination less the discount necessary to take account of the time value of money calculated at an interest rate applicable to the creditworthiness of the debtor. Thereafter, interest is recognised in accordance with the effective interest rate method such that the discount will be amortised at the interest rate applicable to the date of acquisition or origination.

Concessionary loans – Energy Savings and Efficient Demand Flexibility

Loan Commitment Liability

The difference between the amount of the concessionary loan committed and its fair value on initial recognition is recognised as a discount given (expense) due to the loans being provided at a zero percent interest rate (below market value). This discount is recognised on the date the loan commitment is irrevocable.

Energy Savings Loan Receivables

Loans issued are designated at fair value through surplus or deficit because the contractual cash flows are not solely payments of principal and interest. The difference between the amount of the loan and the fair value on initial recognition is recognised as an expense. Thereafter, interest is recognised to unwind the present value of the write-down over time. The loans are subsequently measured at their fair value, and the difference is recognised in the surplus and deficit of the Statements of Comprehensive Revenue and Expense. Any transaction costs attributable to the issue of the loan are expensed immediately.

Efficient Demand Flexibility Loan Receivables

Loans issued are initially recorded at fair value. Thereafter, interest is recognised in accordance with the effective interest rate method such that the discount recognised through fair value will be amortised at the interest rate applicable to the date of loan issue over the loan term. Any transaction costs attributable to the issue of the loan are added to the loan receivable amount and amortised over the loan term.

Property, plant and equipment

Property, plant and equipment consists of the following asset classes: office equipment, furniture and fittings, computer equipment and leasehold improvements.

All asset classes are measured at cost, less accumulated depreciation, and impairment losses.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Assets	Useful life	Depreciation rate
Office equipment	3 years	33.33%
Furniture and fittings	5.7 to 6 years	16.67–17.50%
Computer equipment	3 to 5 years	20%–33.33%
Leasehold improvements	2.5 to 8 years	12.50%–40%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

Intangibles

Computer software licenses are capitalised on the basis of the costs incurred to acquire the specific software and bring it to use.

Costs that are directly associated with developing software for internal use are recognised as an intangible asset where this results in an asset controlled by EECA.

Configuration and customisation costs incurred in implementing software-as-a-service (SaaS) arrangements are generally expensed unless the criteria for recognising a separate asset are met.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are expensed when incurred.

Costs associated with the development and maintaining of EECA's website are expensed when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is expensed in the surplus or deficit.

The useful lives and associated amortisation rates of intangible assets have been estimated as follows:

Assets	Useful life	Amortisation rate
Acquired computer software	2 to 3 years	33.33%-50%

Impairment of property, plant and equipment and intangible assets

EECA does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount that the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use.

Payables

Short-term payables are recorded at the amount payable.

Employee entitlements

Short-term employee entitlements

Employee benefits that are expected to be settled wholly before 12 months after the end of the reporting period that the employees provide the related service in are measured based on accrued entitlements at current rates of pay. These include salaries accrued up to balance date and annual leave earned but not yet taken at balance date.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are not expected to be settled before 12 months after the end of the reporting period that the employees provide the related service in, such as long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave and vested long service leave are classified as a current liability. Non-vested long service leave expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- contributed capital; and
- accumulated surplus/(deficit).

A significant proportion of the accumulated surplus is the result of revenue received that has been committed in the form of financial and industry support expenditure to be incurred in future years.

Goods and services tax (GST)

Items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

EECA is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Cost allocation

EECA has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributable to an output. Indirect costs are costs that cannot be attributed to a specific output in an economically feasible manner.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity or usage information.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

Organisational information

This section outlines our commitments to our people, Te Tiriti o Waitangi and sustainability.

Our people

We seek highly capable people to work on New Zealand's energy challenges

Our people and culture are critical to EECA's success. We aim to work in an environment where people feel trusted, respected and valued. There are four key behaviours that are critical to the way we work together at EECA:



Open to the new



Stand in others' shoes



Believe in 'we' not 'me'



Deliver the goods

In 2025, we developed the 'EECA Experience' to set a foundation for our culture and capability – building our culture to thrive on innovation, collaboration and adaptability, and improving our effectiveness, impact and productivity. Included as part of this work is a new capability framework and 'how we work' guides, which will be built on during 2026/27.

We aim to attract and retain exceptional people who are proud to play a part in shaping New Zealand's energy system. Equally, we are committed to ensuring that our organisation maintains the right size to match the nature and level of activities we are funded for.

Te Tiriti o Waitangi

We have a responsibility to act in accordance with Te Tiriti o Waitangi

E mōhio ana mātau ko te Tiriti o Waitangi te tuhinga whai tikanga o te kāwanatanga, i noho pūmau ai tātau i te motu nei o Aotearoa. Ko ta mātau whāinga ko te tautoko i te Karauna i roto i ngā kaupapa whanaungatanga o te Tiriti kia pai ake ai te tuku i ā mātau ratonga mā ngā āhuatanga e tōkeke ai ngā putanga mō te Māori.

We recognise that the Treaty of Waitangi is a founding document of government in New Zealand and established the country as a nation. We aim to support the Crown in its Treaty of Waitangi relationships and deliver our services in ways that enable equitable outcomes for Māori.

In line with this responsibility, we have had a staff-led Te Ao Māori Working Group in place since 2021. We will continue our journey in 2026/27 by:

- Supporting our staff to build on their Te Ao and Te Reo Māori capabilities.
- Continuing to build and maintain relationships with Māori as we work to deliver programmes with and into communities around the motu.

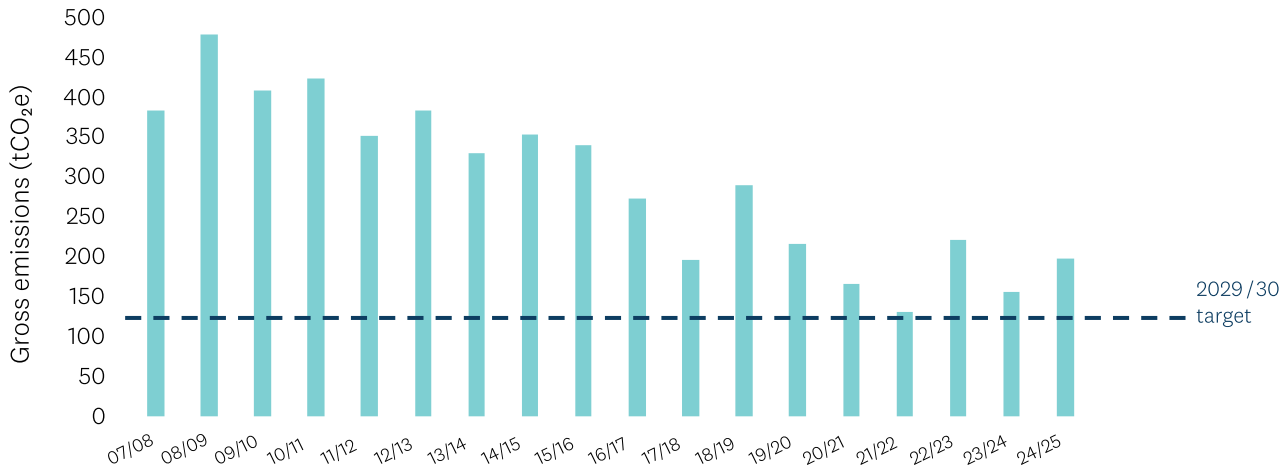


Our carbon footprint

We are committed to reducing our carbon emissions

As a small, office-based organisation, our emissions are not substantial. However, it is important we hold ourselves to a high standard as a government agency mandated to promote energy efficiency, energy conservation and the use of renewable energy.

We have been measuring and reporting our carbon footprint since 2008:



In 2018, we set a target for an absolute reduction of 55% in our Category 1, 2 and 3 emissions, by 2029/30 compared to a 2018/19 baseline. We are on track to achieve this target and have reduced our emissions by 31.5%.

While we have already implemented several energy efficiency and emissions reduction initiatives in pursuit of this target, there is still room for improvement. To make further progress in 2026/27, we will focus on two areas that would have a big impact on our carbon emissions profile:

- Sustainable transport – particularly air travel. This includes effective planning, monitoring and control by our staff.
- Energy efficiency in the office – this relies on small but important energy-saving technologies, such as LED lighting and reduced office space.

Glossary

This section defines key terms and units used in this document.

Key terms

Appropriation – an appropriation is a funding 'bucket' with legislative permission for expenditure to be incurred for activities that fall within a defined scope of the appropriation.

Carbon equivalent (CO_2e) – a measurement unit used to indicate the global warming potential of greenhouse gases, using, carbon dioxide (CO_2) as a reference gas.

Electric vehicle (EV) – electric vehicles have an electric motor powered by a battery charged by connecting to an external source of electricity. Battery electric vehicles (BEVs) are powered only by the battery, while plug-in hybrid electric vehicles (PHEVs) have one engine powered by a battery and another fuelled generally using petrol or diesel.

Electrification – the conversion of a machine or system to use electrical power.

Emissions – greenhouse gas emissions.

Energy – the capacity of a physical system to perform work. Energy can be derived from physical or chemical resources, such as the sun or fossil fuels.

Energy affordability – a consumer's ability to afford the cost of energy services, such as electricity and heating, without it disproportionately impacting their overall income and financial stability.

Energy conservation – reducing energy use where it is not needed. For example, turning the lights off when no one is in the room.

Energy efficiency – using a technology or tool to perform the same task using less energy. For example, an efficient heat pump heats the room, but it uses less energy than traditional heaters.

Energy-related emissions – the greenhouse gas emissions that result from burning or producing fossil fuels (such as petrol, diesel, gas and coal).

Energy reliability – a reliable energy system can consistently supply energy to its consumers including during unexpected conditions.

Energy resilience – a resilient energy system can easily and quickly recover from disruptive events, such as a natural disaster.

Energy security – a secure energy system can provide uninterrupted availability of energy at an affordable price.

Fossil fuels – fuels like coal, natural gas, LPG, crude oil and fuels derived from crude oil (including petrol and diesel).

Greenhouse gases – gases including carbon dioxide, methane and nitrous oxide. In the energy sector, the burning of fossil fuels for heat, transport or electricity generation creates greenhouse gas emissions. Greenhouse gas emissions contribute to climate change.

Process heat – energy used for commercial and industrial processes, manufacturing and heating. For example, meat and dairy processors use steam from boilers to sanitise equipment and process raw products, such as turning milk into powder.

Renewable energy – energy produced from natural sources that replenish over time, like hydro, geothermal, bioenergy, wind, solar and marine sources.

Measurement units

Energy use and emissions measurement units

Unit	Definition	Example for context[11]
PJ	**Petajoule** - the unit most often used to measure energy production and use on a national scale. One PJ is equivalent to a quadrillion joules (10^{15}).	New Zealand households use a total of 86.96 PJ of energy per year (excluding transport). Split by fuel type: • 50.65 PJ – electricity • 20.87 PJ – oil (e.g. petrol and diesel) • 8.01 PJ – renewables • 7.28 PJ – natural gas • 0.15 PJ – coal.
GWh	**Gigawatt hour** - a watt hour is a measure of electrical energy equivalent to a power consumption of one watt for one hour. One GWh is equivalent to one billion watt hours, one million kilowatt hours and 3,600 joules.	Annually, the Manapōuri hydro power station supplies 4,500 GWh of electricity and New Zealand households use 24,157 GWh of energy (from all fuel types).
kWh	**Kilowatt hour** - a watt hour is a measure of electrical energy equivalent to a power consumption of one watt for one hour. One kWh is equivalent to one thousand watt hours.	The average New Zealand household uses 11,828 kWh of energy per year.
tCO_2e	**Tonnes of carbon equivalent emissions** - a unit used to indicate the global warming potential of greenhouse gases, using carbon dioxide (CO_2) as a reference gas. One tonne of CO_2e is equivalent to 1,000 kilograms of CO_2e.	One light passenger vehicle in New Zealand produces 1.75 tCO_2e. New Zealand's entire vehicle passenger fleet produces 6,167,609 tCO_2e.

11 Data sources: Household Estimates by Tenure, Statistics New Zealand (2025); Energy Balance Tables, Ministry of Business, Innovation and Employment (2024); Measuring Emissions - A Guide for Organisations, Ministry for the Environment (2024); internal vehicle fuel consumption data, Ministry of Transport (2024); and Future State Model VKT/vehicle numbers data, Ministry of Transport (2024).





EECA
ENERGY EFFICIENCY &
CONSERVATION AUTHORITY
TE TARI TIAKI PŪNGAO